

**U.S. Department of Labor
Office of the Chief Financial Officer
Strategic Plan
Fiscal Year 1999-2004**

Section 1: Introduction

Mission: The Office of the Chief Financial Officer (OCFO) provides high integrity financial information, policy, services, and products in support of the Department of Labor's three strategic goals: A Prepared Workforce; A Secure Workforce and Quality Workplaces. Public Law 101-576, the Chief Financial Officers Act of 1990, requires the appointment of a Chief Financial Officer (CFO) with specified financial management responsibilities. The CFO is the senior financial advisor to the Secretary, Congress, Office of Management and Budget and other stakeholders on the financial health of the Department.

About the Agency: The Office of the Chief Financial Officer (OCFO) is a component agency of the Office of the Secretary. Led by a Presidentially-appointed, Senate-confirmed Chief Financial Officer, the Office's senior career staff member serves as the Deputy Chief Financial Officer. The OCFO is organized into four primary areas: the Office of Accounting and Payment Services, the Office of Financial Systems, the Division of Planning and Internal Control, and the Division of Financial Statements.

Vision: OCFO's strategic goals create an environment within which sound fiscal management can be fully integrated into the program and financial operations of DOL's agencies. In collaboration with DOL's agencies, the OCFO will assure that all legislative and policy requirements governing accounting standards, financial transaction processing, financial systems, and financial reporting are implemented, that all financial information provided to the public is accurate and timely, and that all financial management staff have the skills necessary to perform their jobs. OCFO will support its customers' financial information needs by providing high quality financial management products and services that enhance effectiveness and efficiency of governmental programs and measure performance to achieve desirable outcomes and real cost effectiveness.

Section 2: The Changing Workforce and Workplace

The Office of the Chief Financial Officer, formerly the Office of the Comptroller within the Office of the Assistant Secretary for Administration and Management, has been rapidly evolving in the 1990's. With the enactment of the Chief Financial Officers' Act of 1990, the financial management functions of the Department of Labor (and other Federal agencies) have been challenged to meet ever-increasing demands for better accountability and greater efficiency. The transition from Comptrollership to a broader management role as Chief Financial Officer has been characterized by the need to:

- C Establish a department-wide financial management program for monitoring and reporting financial results;
- C Establish a more effective integration of agency and departmental financial systems;

- C Standardize financial management reporting structures by complying throughout the Department with the U.S. government standard general ledger;
- C Improve external reporting through the compilation and audit of consolidated financial statements and development of an annual accountability reporting instrument;
- C Comply with numerous new financial management legislative initiatives and accounting standards.
- C Re-orient staff strengths from control-oriented tasks to managerial accounting and related financial management skills.

Each of these challenges have been met to a large extent by both OCFO and agency financial managers developing a greater awareness of the interdependency of agency and departmental needs. As a result, the Department became one of the first few cabinet level agencies to receive a clean audit opinion on its FY 1997 financial statements, and followed up with another clean opinion in FY 1998. The goals of the Office of the Chief Financial Officer through FY 2004 represent a continued progression to a more managerially-oriented financial management program. This evolution will require a highly trained and skilled workforce, up-to-date technology, and progressive, proactive management.

Section 3: OCFO Strategic Goals and Outcome Goals

The OCFO has established four agency strategic goals in support of the department-wide goal of maintaining the integrity and stewardship of DOL's financial resources. These are:

- * *to provide leadership and advice on financial management matters to the Secretary of Labor, DOL program managers, and the financial community government-wide;*
- * *to protect and effectively manage the Department's financial resources;*
- * *to assure high quality financial management products and services are delivered to OCFO customers; and,*
- * *to recruit, train, and retain an effective financial management staff.*

The Department has adopted the single financial management goal of maintaining the integrity and stewardship of the Department's financial resources. The attainment of this goal will be reflected in financial statements that receive an unqualified audit opinion--a readily measured overall goal. The accomplishment of this goal requires that numerous, general performance goals be met. This plan identifies numerous, measurable program measures and indicators directly linked to the performance goals that, taken as a whole, provide an accurate, independent determination that actual performance

measures meet the performance goals as provided in Section 220.15 of OMB Circular No. A-11.

OCFO Strategic and Performance Goals

Departmental Strategic Goal: The Office of the Chief Financial Officer will maintain the integrity and stewardship of the Department's financial resources.

3.1 OCFO Strategic Goal 1: To provide leadership and advice on financial management matters to the Secretary of Labor, DOL program managers, and the financial community government-wide.

3.1.a OCFO Performance Goals (Outcomes) 1:

C The OCFO guides the development and implementation of financial management policies, procedures, and systems.

C The OCFO represents and advocates DOL interests on government-wide groups and task forces.

3.1.b Strategies

C Evaluate Program financial management budgets and advocate the inclusion of resources needed to meet DOL financial management goals.

C Provide the Secretary and the public with periodic evaluations of the financial health of the Department and advise the Secretary on financial management issues.

C Monitor, evaluate, and report new financial and accounting legislation and policies throughout their development to DOL managers.

C Use CFO Advisory Council meetings as a forum for developing effective department-wide policies and procedures.

C Shape government-wide financial policies to benefit DOL through participation on relevant committees and task forces.

C Develop management reporting tools that link GPRA program measures and financial performance.

C Maintain current financial management, accounting, and travel policies and procedures in the Department of Labor Manual Series (DLMS) and OCFO financial library.

Departmental Strategic Goal: The Office of the Chief Financial Officer will maintain the integrity and stewardship of the Department's financial resources.

3.2 Agency Strategic Goal 2: To protect and effectively manage the Department's financial resources

3.2.a Performance Goals (Outcomes) 2:

- C Financial information is credible, timely and reliable as demonstrated by external review.
- C Develop and maintain internal control measures to minimize material weaknesses and non-conformances.
- C Maintain compliance with all financial management laws and regulations; Promptly remediate all known material weaknesses, non-conformances, and non-compliance issues when identified in audits.

3.2.b Strategies

- C Conduct financial reviews with program agencies and evaluate financial performance on an ongoing basis.
- C Develop and apply appropriate measures to monitor compliance with financial management laws and regulations.
- C Maintain proper security access for all financial management automated systems.
- C Monitor key financial indicators for early notification of possible problems.
- C Conduct appropriate training to alleviate problems as determined by audit findings.
- C Target resources to achieve the AGA Certificate of Excellence for the Department's Annual Accountability Report by FY 2001.
- C Develop pilot Electronic Commerce applications

Departmental Strategic Goal: The Office of the Chief Financial Officer will maintain the integrity and stewardship of the Department's financial resources.

3.3 Agency Strategic Goal 3: To provide useful, high quality financial management products and services to OCFO customers.

3.3.a Performance Goals (Outcomes) 3:

- C The OCFO accounting operations are performed timely and accurately
- C Employee payroll services are efficient and accurate
- C OCFO manages a customer-oriented Working Capital Fund that is efficient and meets customer needs.
- C Financial systems meet user needs and provide for effective financial management.

3.3.b Strategies

- C Provide system training for Servicing Payroll Office personnel and accounting personnel

- throughout the Department to reduce end-user and data entry errors.
- C Develop system solutions to provide efficient financial management administration.
- C Initiate and begin implementation efforts to modernize the Department's central accounting system.
- C Adopt benchmarking strategies to improve operational performance.
- C Examine business processes for possible improvements
- C Deploy increased resources to analyze financial management issues.
- C In partnership with the PeoplePower 2000 group, continue development, testing, and enhancement of the PeoplePower payroll modules.
- C Interface Travel Manager with the central accounting system.

Departmental Strategic Goal: The Office of the Chief Financial Officer will maintain the integrity and stewardship of the Department's financial resources.

3.4 Agency Strategic Goal 4: Recruit, train, and retain an effective financial management staff.

3.4.a Performance Goals (Outcomes) 4:

- C The DOL recruits effective financial management staff agency-wide.
- C Meet or exceed guidelines of the CFO Council for investment in continuing professional education for financial management employees.
- C The OCFO provides its employees with a professional, productive, and healthy workplace environment
- C The OCFO's labor-management partnership is mutually beneficial to management and staff.
- C Employee performance standards and budgetary/staff resources are linked to performance plans.

3.4.b Strategies

- C Recruit new staff by targeting specific schools and through the Presidential Management Internship Program.
- C Evaluate the effectiveness of Financial Management Intern Program
- C Develop desk top procedures and documentation of current work processes for targeted jobs (those likely to be vacated) in the Office of the Chief Financial Officer.
- C Implement a continuing professional education program for DOL financial management staff by providing a minimum of twenty-four hours of training per year for each employee.
- C Develop a survey instrument to measure OCFO employee satisfaction levels on a variety of work environment issues.
- C Provide a family-friendly workplace, offering Flexitime and Flexiplace work schedules and

- flexible leave policies, consistent with good business practices.
- C Develop manager performance plans that link to our Strategic Plan.

Key External Factors that may affect performance:

Emerging legislation that places new requirements on financial managers, systems or resources may delay completion of the financial management goals of the Department.

Internal control or system weaknesses of external entities that provide financial management services for the Department, e.g. other Federal agencies and private sector entities, may affect the integrity of DOL financial data.

Recruitment of highly skilled, specialized staff, e.g. systems analysts and cost accountants, may be difficult in a tight labor market.

Section 4: Relationship Between Goals in the Annual Performance Plan and in the Strategic Plan

Performance plans for all OCFO staff tie directly to one or more of the four strategic goals mentioned in this document, and to at least one of the performance goals. OCFO's staff are aligned so that the policy, operations, systems, reporting and administrative arms of the organization can work cohesively to achieve each of the performance goals listed.

Section 5: Consultation with Stakeholders

The Performance Goals of the Office of the Chief Financial Officer reflect an on-going process of consultation. OCFO's stakeholders include all internal and external entities that affect the financial management program of the DOL. Internally, these groups consist of the Secretary, Deputy Secretary, Program Agency Heads, Administrative Officers, Agency Financial Managers, and the Office of the Inspector General as well as the Office of the Assistant Secretary for Administration and Management (OASAM). OASAM's domain includes the Office of Budget, Regional Finance Officers, the Chief Information Officer, and the other administrative components of the DOL. Externally, stakeholder groups include Congress, OMB, GAO, Treasury, the CFO Council and other executive and legislative components. These efforts are more fully delineated in Section 6 below.

Senior Financial Managers of the Program Agency are regularly consulted on financial management matters as part of the DOL CFO Advisory Council. This group meets periodically to discuss current issues in financial management, and is chaired by the CFO.

Consultation with internal DOL groups is furthered by the CFO's Annual Accountability Report that summarizes the financial health of the Department. A formal process for obtaining feedback on the

report provides the OCFO with useful information on the effectiveness of the report in keeping individuals up to date on progress being made to accomplish not only the financial management goals of the Department, but the program performance information in support of each of the Secretary's three Strategic Goals.

Section 6: Cross-cutting Coordination

The central role of the OCFO is to coordinate a department wide financial management program for the Secretary of Labor. As a component organization of the Office of the Secretary, the OCFO maintains coordinating responsibilities that are reflected in the OCFO's four strategic goals. Our financial management mission is defined fundamentally by the coordination efforts needed to meet our strategic goals.

The OCFO provides financial management leadership by coordinating in four principle ways:

Representation on Government-wide bodies: Coordination of government wide legislative and regulatory policies is maintained through active participation in numerous bodies including the CFO Council and central agency workgroups led by OMB, Treasury, GSA, FASAB and the JFMIP. The CFO chairs the Human Resource Committee of the CFO Council. The Department participates actively on a wide variety of key policy-making and advisory groups.

Effective Communications: Intra-departmental coordination is maintained through monthly meetings of senior staff of the OCFO and major agencies of the Department represented on the DOL CFO Advisory Council. The CFO is also a member of the Deputy Secretary's Management Council and the Department's IT Capital Investment Management's Technical Review Board. The OCFO is also a member of the Department's Strategic and Performance Planning Workgroup. In addition to these formal bodies, coordination of our financial management program is facilitated by numerous other interdepartmental task-oriented workgroups dealing with systems modernization, cost accounting implementation, travel management, and working capital fund management. OCFO staff maintain regular working relationships with agency counterparts in such areas as debt management, grant management, cash management, accounting and payroll operations, and travel management.

Coordination as an Operational Imperative: The Department maintains a single central, general ledger core accounting system. All financial results are compiled in this system, thus integrating the financial management operations of all agencies of the Department. A number of the OCFO Strategic Goals reflect efforts to achieve full integration of all DOL financial management systems with our core accounting system. Thus, the core accounting system exacts standardized data requirements and controls on data integrity throughout the Department, is fully consistent with the government wide standard general ledger requirement of the Federal Financial Management Improvement Act, and

avoids the proliferation of duplicative financial management systems.

The annual compilation of the Department's Consolidated Financial Statements requires effective coordination between the OCFO and DOL agencies. The discipline imposed by this process has resulted in a clean audit opinion from the Inspector General, a standardization of accounting policies and procedures, and a coordinated approach to resolving internal control and compliance issues identified in the audit.

Management Processes: Several management processes provide further coordination. The OCFO participates in the Department's budget formulation process to identify major financial management issues. This process identifies the resources needed to meet annual Performance Plan Goals for financial management throughout the Department. The OCFO also maintains audit tracking systems for both OIG and GAO audit activity and provides periodic reports to the Deputy Secretary on the progress being made to resolve financial and related audits.

An annual Accountability Report is compiled from agency material to address external reporting mandates. Information included in this report is gathered from program agencies in a coordinated manner with the Office of Budget. This single collection of data also generates key input to the Budget Overview as well as the annual program performance report.

Our cross-cutting efforts are best represented in our Strategic Goals, which represent department-wide rather than single organizational objectives.

Section 7: Program Evaluations

Program evaluations of the Department's financial management program will continue to be primarily performed by the OIG and supplemented by OCFO management reviews. The annual audit of the Department's financial statements by the Office of the Inspector General provides OCFO with reliable, timely information on major internal control and compliance issues.

The Office of the Chief Financial Officer also monitors both its own operations and the operations of DOL's agencies through monitoring of financial reports and regular contacts with the agencies of the Department on such matters as debt, cash management, travel management, and financial systems development. In compilation of the Department's financial statements, the results of all operations are gathered in the Department's general ledger core accounting system and subjected to review and analysis. The General Services Administration also provides evaluations of selected areas within the department. They often focus on financial management areas. In addition, program evaluations will also result from the analysis of data discussed in Section 8.

Section 8: Data Capacity

Many of the performance measures in the OCFO Strategic Plan deal directly with the integrity and timeliness of financial data throughout the Department. The most important data capacity issue addressed in this Strategic Plan involves the OCFO initiative to develop a cost accounting module linked with our core accounting system to provide program agencies with the cost information needed to evaluate performance. The OCFO has initiated this effort by acquiring financial analysis software to facilitate not only the development of cost accounting data for GPRA implementation, but to also facilitate the production of the Department's financial statements.

The OCFO also utilizes a project tracking system using software that is designed to assess performance against the OCFO's Performance Plans. The software will gather data on the progress being made to accomplish the numerous performance goals, performance measures and other indicators in this Strategic Plan.

The integrity of the Department's financial data is evaluated annually in the audit conducted by the Office of the Inspector General. The OCFO has worked closely with DOL program agencies to fully and promptly address data limitations identified in these audits. The compliance issues identified in agency financial systems have been evaluated and corrective action schedules formulated. OCFO and program agency staffs have worked together to develop these audit resolution plans. Performance goal 2 identifies the systems being brought into compliance.

Section 9: Maintaining a Departmental Strategic Management Focus

Financial Management:

Due to the nature of the work done in the OCFO, as required by statutes such as the CFO Act, GPRA, etc, financial management is the focus area for the entire OCFO strategic plan.

Information Technology Linkages:

The OCFO has developed its Strategic Plan to include Information Technology goals and objectives. These include performance goals listed under OCFO strategic goals 2 and 3 that address security access, employee payroll services, and financial systems. These IT products and services are key tools in the OCFO's ability to accomplish its mission.

Further, OCFO's IT organization has established a partnership with the Information Technology Center (ITC), the Office of the Chief Information Officer (OCIO) and other DOL agencies to develop a Department-wide infrastructure that will support mission critical systems using both local and wide area networks.

The OCFO plans to expand its use of the Internet and the DOL Intranet to provide financial information to both DOL agencies and the general public. OCFO currently has a website on the Internet as part of a DOL-wide effort to provide up-to-date and accurate information to anyone

accessing the Internet. OCFO is beginning to use this medium for information dissemination and as an adjunct help facility for its Automated Time and Attendance (ATA) system.

Electronic Data Interchange has been utilized by OCFO to provide a fully automated capability to process all DOL Federal Express bills. This capability will be expanded as the DOL moves toward automating its bill paying for credit cards. Using automated tools to streamline this process both reduces key entry errors and facilitates the use of electronic funds transfer (EFT).

Human Resources

The OCFO has also developed its Strategic Plan to include Human Resources goals and objectives. Goal 4: *Recruit, train, and retain an effective financial management staff*, addresses human resource issues directly. Several of the performance goals and strategies are specific to the OCFO staff; however, a number of them address DOL-wide issues such as recruitment, staff training, and development of succession plans.

Effective recruitment and training of financial management personnel has been an issue for a number of federal agencies recently, including DOL. The OCFO has taken the position that these objectives can be reached more effectively and timely by taking a coordinated approach for all DOL finance organizations. To that end, OCFO has begun planning and working with the other DOL agencies, and budgeting funds specifically for DOL-wide training in FY2000 and 2001. With regard to succession planning, the OCFO hopes to achieve written plans that will account for both human resources and key operational activities to ensure a smooth transition for those offices in which one or more employees decide to retire or seek other employment in the near future.

10. Conclusion

We are confident that the OCFO is well-positioned to achieve the goals as described in this Strategic Plan. We invite comments and questions about this plan to be forwarded to Mark Wolkow at wolkow-mark@dol.gov.